

Department of Public Works Sanitation Recycling Cost Analysis

Capital Outlay

3 Trucks @ \$280,000 per truck = \$840,000
6000 Households x 2 pails per household = 12,000 pails
12,000 pails x \$50.00 per pail = \$600,000
2 Trucks retrofitted = \$60,000
Outlay cost by Borough = \$1,500,000

Anticipated Annual Operational Expense

Outlay Cost = \$500,000 (\$1,500,000 /3 years = \$500,000)
Labor = \$300,000 (3 men @ \$100,000 total compensation)
Tipping fee = \$800,000
\$1,600,000
Reduction in workmen's compensation = \$150,000
\$1,450,000
Recycling Revenue = \$60,000
\$1,390,000
1 Truck = \$300,000 (fee based on pickups with 1 driver/2 laborer)
Total = \$1,690,000

Lyndhurst Costs in 2011 8,000 Homes	Rutherford Costs in 2011 6,000 Homes
Recycling = \$898,500	Recycling = \$508,000
Sanitation = \$1,652,000	Sanitation = \$660,000
Total = \$2,550,500	Total = \$1,168,000
*25% Reduction = \$637,500	(Medical/Pension) 40% = \$467,000
Total = \$1,912,500	Tipping fee = \$800,000
	Total = \$2,435,000

*25 % reduction reflects difference between 8000 homes in Lyndhurst and 6000 homes in Rutherford.

	Rutherford DPW	Privatization	Containerization*
2011	\$2,435,000.00	\$1,912,000.00	\$1,690,000.00
2012	\$2,435,000.00	\$1,912,000.00	\$1,690,000.00
2013	\$2,435,000.00	\$1,912,000.00	\$1,690,000.00
2014	\$2,435,000.00	\$1,912,000.00	\$1,190,000.00
2015	\$2,435,000.00	\$1,912,000.00	\$1,190,000.00
2016	\$2,435,000.00	\$1,912,000.00	\$1,190,000.00
2017	\$2,435,000.00	\$1,912,000.00	\$1,190,000.00

ASSUMPTIONS MADE FOR THIS ANALYSIS

*This schedule includes re-payment of capital expenditure in 2011, 2012, 2013.

\$800,000.00 = Dumping fee per year.

\$100,000.00 = Cost per employee which includes salary, medical & pension.